

Administrative - Internal Use Only

7 JUL 1975

MEMORANDUM FOR: Chief, Plans Staff, DD/A

SUBJECT : Costs of Management By Objective (MBO) Administration and Reporting

1. In response to your oral request, the staffs and divisions have compiled estimates of the man-hours and dollar costs directed to administering the MBO program during FY 1975. Those total estimates are:

<u>Man-hours</u>	<u>Dollars</u>
8,340	\$78,700

2. The man-hours and dollar costs apply to the administration of 12 DCI- and directorate-level objectives as well as 38 objectives tracked at the office and division/staff levels. We have attempted to be selective in the costing by eliminating those costs attributable to the results of an objective. If, for instance, an objective called for the professional training and development of engineers, the cost of the training courses has not been included. If, on the other hand, an objective called for the reduction of paper consumption, the cost of time spent in gathering statistics to support the bimonthly progress report has been included. Except where time and costs could clearly be identified for inclusion or exclusion, we have concentrated on the time and costs of all levels of management spent in objective development and status review, and the clerical costs of preparing the reports.

3. The most costly objective is that concerning the Annual Personnel Plan (APP) and the Equal Employment Opportunity (EEO) program. The maintenance of statistics, updating those statistics, and preparation of the APP and EEO reports are estimated to require over 2,800 man-hours, at a cost of \$25,500, per annum. A division-level objective, which required the Real Estate and Construction Division to establish a rather complex base of production statistical data, also cost over \$15,000. That objective will not be continued beyond FY 1975, however.

4. Questions concerning this report may be directed to Mr. [REDACTED] 25X1A9a on extension 2561.

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